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ABSTRACT

This is the twenty-fourth in a set of 36 teacher guides to the Entrepreneurial Training Modules and accompanies CE 031 076. Its purpose is to give students some idea of what it is like to own and operate a housecleaning service. Following an overview are general notes on use of the module. Suggested steps for module use contain suggestions on introducing the module, a brief discussion of the nine units, responses to learning activities, suggestions for summarizing the module, and responses to the quiz. The units are Planning a Housecleaning Service; Choosing a Location; Getting Money to Start; Being in Charge; Organizing the Work; Setting Prices; Advertising and Selling; Keeping Financial Records; and Keeping Your Business Successful. Each unit contains a case study; responses to individual activities; responses to discussion questions; and a group activity. Suggested readings for the teacher and a list of goals and objectives complete the module. (CT)

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Entrepreneurship Training Components

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GETTING DOWN TO BUSINESS:

Housecleaning Service

Module 24

Teacher Guide

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GETTING DOWN TO BUSINESS:

Housecleaning Service

Carolyn McFarlane

May 1981

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U.S. Education Department

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OVERVIEW

The purpose of these Getting Down to Business modules is to provide high school students in vocational classes with an introduction to the career option of small business ownership and to the management skills necessary for successful operation of a small business. Developed under contract to the Office of Vocational and Adult Education, U.S. Department of Education, the materials are designed to acquaint a variety of vocational students with entrepreneurship opportunities and to help reduce the high failure rate of small businesses.

As the students become familiar with the rewards and demands of small business ownership, they will be able to make more informed decisions regarding their own interest in this career possibility. It is hoped that, as a result of using these materials, some students will enter small business ownership more prepared for its challenges. Others will decide that entrepreneurship is not well suited to their abilities and interests, and they will pursue other career paths. Both decisions are valid. The materials will encourage students to choose what is best for them.

These Getting Down to Business modules are designed to be inserted into ongoing high school vocational programs in the seven vocational disciplines--Agriculture, Distributive Education, Occupational Home Economics, Business and Office, Trades and Industry, Technical, and Health. They will serve as a brief supplement to the technical instruction of vocational courses, which prepare students well for being competent employees but which generally do not equip them with skills related to small business ownership. The modules are self-contained and require a minimum of outside training and preparation on the part of instructors. Needed outside resources include only those types of materials available to all students, such as telephone directories, newspapers, and city maps. No special texts or reference materials are required. For further optional reading by instructors, additional references are listed at the end of the Teacher Guide. An annotated Resource Guide describing especially valuable entrepreneurship-related materials is also available.

The purpose of this module is to give students some idea of what it is like to own and operate a housecleaning service. Students will have an opportunity to make the same decisions that the owner of a housecleaning service makes. While the module is not a complete "how-to" manual, the individual activities will provide your class with the chance to do many of the planning and daily activities that small business owners do.

Today, owners of small businesses face a multitude of problems--some minor, some that threaten their very existence. These problems reflect the constant changes that our society is going through--economic, cultural, and technical. While this module cannot hope to address itself to all of them, the discussion questions at the end of each unit are designed to give your class the opportunity to discuss them and develop, on a hypothetical basis, solutions for themselves.

You may want to present this module after completing Module 1, Getting Down to Business: What's It All About? Module 1 is a 16-hour program covering a more in-depth approach to owning any small business. The terms introduced in Module 1 are used in this module with a restatement of their definitions. Also, the forms used are the same, with some minor changes to fit a housecleaning service specifically. Module 1 provides an introduction to owning a small business in addition to some skills and activities that, due to their general nature, are not covered in this module.

Content Organization

Each unit of the module contains the following:

1. Divider Page--a page listing the unit's goal and objectives.

2. Case Study--an account of a housecleaning service owner for a more intimate view of owning a housecleaning service.

3. Text--three to four pages outlining business management principles introduced in the case study.

4. Learning Activities--three separate sections, including:

   a. Individual Activities--finding information given in the text or applying information to new situations.

   b. Discussion Questions--considering broad issues introduced in the text or applying information to new situations.

   c. Group Activity--taking part in a more creative and action-oriented activity; some activities may focus on values clarification.

General Notes on Use of the Module

Instructional Time:	Each unit = 1 class period; total class periods	= 9
	Introduction, quiz, summary	= 1
	Total instructional time = 10 class periods	

The case study and text are central to the program's content and are based on the instructional objectives appearing in the last section of this Guide. Learning activities are also linked to these objectives. You will probably not have time, however, to introduce all the learning activities in each unit. Instead, you will want to select those that appear most related to course objectives, are most interesting to and appropriate for your students, and are best suited to your particular classroom setting. Certain learning activities may require extra classroom time and may be used as supplementary activities if desired.

Before presenting the module to the class, you should review both the Student and Teacher Guides and formulate your own personal instructional approach. Depending on the nature of your classroom setting and the students' abilities, you may want to present the case study and text by

instructional means that do not rely on students' reading--for example, through a lecture/question-answer format. Case studies and certain learning activities may be presented as skits or role-playing situations.

No particular section of the module is designated as homework, but you may wish to assign certain portions of the module to be completed out of class. You may want students to read the case study and text in preparation for discussion in the next class period, or you may want them to review the material at home after the class discussion. You may also prefer that students read the material in class. Similarly, individual activities may be completed in class or for homework. Discussion questions and group activities are specially intended for classroom use, although some outside preparation by students may also be needed (for example, in the case of visiting a small business and interviewing the owner).

Methods that enhance student interest in the material and that emphasize student participation should be used as much as possible. Do not seek to cover material exhaustively, but view the course as a brief introduction to entrepreneurship skills. (Assume that students will obtain more job training and business experience before launching an entrepreneurial career.)

The quiz may be used as a formal evaluation of student learning or as a self-assessment tool for students. Answers to learning activities and the quiz are provided in a later section of this guide.

SUGGESTED STEPS FOR MODULE USE

Introduction (15 minutes or integrate within first hour of Unit 1)

I. In introducing this module, you might want to discuss what a housecleaning service is and why this kind of business is becoming more popular. These are possible questions to ask.

- What kinds of jobs must a homemaker do to keep the house clean and the family healthy and happy?
- How have changes in work patterns and in family lifestyles affected the care of the house?
- Who is doing homemaking jobs in the American home today?
- How has the increased participation in work outside of the home and in leisure activities affected the use of service businesses?
- How does the fact that housecleaning is currently a low-prestige job affect the availability of self-employed maids and housecleaners?
- What do housecleaning services do, who uses them, and why?
- Why can housecleaning services charge fairly high prices, and still succeed?

II. Discuss small businesses briefly. Over 90% of all businesses in the United States are small businesses. In this module we will be dealing with very small businesses, meaning a self-employed owner working alone or with one to four employees. Often small businesses are owned and run by members of a family.

III. Discuss the purposes of the module:

- To increase students' awareness of small business ownership as a career option
- To acquaint students with the skills and personal qualities housecleaning service owners need to succeed
- To acquaint students with the kind of work small business owners do in addition to using their vocational skills
- To expose students to the advantages and disadvantages of small business ownership

IV. Emphasize that even if students think they lack management aptitudes, some abilities can be developed. If students "turn

on" to the idea of small business ownership, they can work at acquiring abilities they don't have.

Also, students who work through this module will have gained valuable insights into how and why business decisions are made. Even if they later choose careers as employees, they will be better equipped to help the business succeed because of their understanding.

Unit 1 - Planning a Housecleaning Service (1 class period)

I. Case Study: Jill Stewart and Dana Harrison decide to start a housecleaning service. Jill has experience as a maid and Dana has experience managing people and keeping books. They do "market research" and decide on their business image. They start small, with plans to expand the business when possible.

Text: What it Takes to Be a Small Business Owner
Services Offered by Housecleaning Services
Kinds of Customers
Kinds of Competition
Ways to Compete Successfully
Insurance and Business Permits

II. Responses to Individual Activities

1. Based on the Yellow Pages ads, students should list as much information as possible about services, customers, and special strategies for success.

2. An owner of a housecleaning service has full control over its housekeepers, the services they offer, and the methods of cleaning they use. He or she provides all equipment and supplies and takes full responsibility for the work performed. The owner of a housecleaning service is more involved in everyday personnel management than the owner of a maid service.

   A maid employement service has less control over the worker's actual performance of the work. He or she gets a general idea of what the customer wants and locates a qualified worker. The customer then explains to the worker exactly what needs to be done and provides all equipment and supplies. The owner of the employment service handles the paperwork and wages, but the individual worker takes some of the responsibility for the work.

3. TLC did vacuuming, dusting, polishing furniture, mopping and waxing floors, cleaning kitchens and bathrooms.

4. Possible special services could include the following: washing windows; cleaning blinds, drapes, walls, and ceilings; shampooing and steam-cleaning carpets and upholstery; cleaning ovens and refrigerators; spring cleaning; cleaning after fire and water damage; preparing apartments and homes for new residents; housesitting; serving and cleanup at parties; and minor yardwork, home repairs, and painting.

5. All of these qualities are important for the owner of a housecleaning service. Students may work at acquiring the qualities they don't have. If they are weak in most or all areas, however, this kind of business is probably not something they'd be good at or enjoy.

III. Responses to Discussion Questions

1. Jill and Dana made good business decisions. They studied the possible services they could offer and the competition they would have. They chose a customer group that would be likely to want their services and that could afford them. They developed a high class business image to reach the women in these families who would probably be the ones to select the service in the first place.

2. The fact that many married women are going back to work means they have less time to do housework. Also a large part of the population now are single adults, and this provides a large market for cleaning services. Even women who do not work outside the home are influenced by the trend to use "services" and save their time for things they really enjoy. The growing number of elderly people are also a potential market for housecleaning services.

   In addition to these trends, there is the problem of finding "good help" to do housecleaning. Many people do not consider the job desirable and look elsewhere for employment. By using good business practices, housecleaning services can raise the prestige level of the work and attract employees. The "team approach" to cleaning, for example, speeds up the job and raises the morale of workers.

   All in all, trends point to a large market for housecleaning services among upper middle class Americans.

3. Training, experience, and resources should include:

   - General work experience
   - Training or experience in housecleaning
   - Training or experience in business management (including recordkeeping)
   - Some money to invest in the business

- A family that supports the business idea
- Friends or relatives who can give business advice

IV. Group Activity

This activity is designed to acquaint students with a real-life housecleaning service owner. The principles in the text regarding the characteristics and responsibilities of housecleaning service owners should be reinforced by the student's personal contact with such a person.

A list of questions for the visitor is provided. The questions listed really cover Units 1,2, and 3; as such, this activity could be used after Unit 3 rather than after Unit 1. In fact, this activity could be used at the very end of the module or at any time when scheduling might be more appropriate. It will probably require extra classroom time. A question-answer period should be provided.

Unit 2 - Choosing a Location (1 class period)

I. Case Study: Jill and Dana decide to move their office out of Dana's extra bedroom. They look for a business location that is inexpensive and convenient to their customers.

Text: The Type of Town to Choose
The Type of Office Location to Choose

II. Responses to Individual Activities

1. c. (a. would probably be too expensive, and b. would be far from potential customers.)

2. Responses will depend on the students' research. You should check their responses with the information used (Yellow Pages and input from area residents).

III. Responses to Discussion Questions

1.

Pros of having an office in your home	Cons
• less expensive than renting a business	• may mean lack of office or storage space
• convenient to your own family	• may be illegal if you have employees
• saves you the time required for locating	• may mean your family will disturb your work

- allows you to work easily at nights and on weekends
- may encourage you to overwork and worry too much about your business "after hours"

2. Jill and Dana will use their office to take phone calls from customers, keep work schedules for employees, prepare customer bills and write business checks, store financial records, store supplies, and meet with employees. They'll need at least one desk, one typewriter, a file cabinet for financial records, a telephone, a large bulletin board to post work schedules, a coffee pot, some chairs for workers to sit in, and a storage closet or area.

   Various layouts are possible. The office should probably be divided into three main areas: Dana's work area (as office manager), an area for workers to gather in (close to coffee pot and bulletin board), and an area to store supplies.

3. Responses should be based on the number of existing housecleaning services in the area (the fewer, the better) and the number of possible customers (the more, the better).

IV. Group Activity

This activity will familiarize students with business location decision-making. Students should be able to defend their decisions based on the location of competitors and potential customers (as marked on the map) and the advice of the realtor. The specific office chosen should be small, inexpensive, and convenient to customers.

Unit 3 - Getting Money to Start (1 class period)

I. Case Study: Jill and Dana didn't need to borrow money when they were both cleaning homes by themselves. When they got an office and decided to hire workers, they applied for a bank loan.

Text: Business Description
Financial Information About Your Business
Statement of Financial Need

II. Responses to Individual Activities

1. Possible responses include:
   - desk
   - chairs
   - typewriter
   - calculator
   - telephone and answering machine

- storage cabinet
- file cabinet
- bulletin board
- coffee pot

2. Possible responses include:
   - vacuum cleaners
   - rug shampooers
   - floor buffers/waxers
   - window-washing equipment and ladders
   - mops and brooms
   - buckets, sponges, and rags
   - cleansers, scouring pads, furniture polish, floor wax
   - uniforms

3. Students should describe Jill and Dana's housecleaning service in narrative form, using the information provided in the case study. Extra information may be included by students if desired. The business description should be short, simple, and logically organized. It should contain information about:

   - kind of business and services offered
   - business location
   - customers
   - competition
   - special strategies for success
   - plans for growth

   It should present the business in a positive manner in order to convince the bank that TLC is a good business risk.

4.

Total Start-Up Expenses	= $ 3,460
Total Operating Expenses	= $ 7,350
Total Expenses for First Three Months	= $10,810
Owners' Cash on Hand	= $ 6,000
Total Money on Hand	= $ 6,000
Total Business Loan Needed	= $ 4,810

III. <u>Responses to Discussion Questions</u>

1. It would be helpful to include any special abilities and experience you have that will make your business special. Possible things to discuss:

   - Social and business trends that suggest your business will continue to be successful

   - The employees you plan to hire (an organizational chart) and any training you plan to give

   - A typical daily schedule for work teams (operational plan)

- An advertising plan for the year
- Plans for setting prices
- Brief description of your financial recordkeeping and your plans for checking the health of your business

2. Banks do not give loans to businesses they consider a business risk. This includes businesses where:

   - owners have little business experience or technical knowledge
   - owners have very little of their own money to invest
   - owners and relatives have little emotional investment in the business
   - the business idea is out-of-date or inappropriate for a certain area
   - there is excessive competition
   - estimates of revenues are unrealistically high

   When banks do grant business loans, they usually require collateral (such as personal property of the business owner--a house or car). If the business fails and the borrower can't pay, the bank takes possession of the personal property to pay off the debt. Banks are a business, too. They want to earn a profit. They charge interest for the use of the money they lend. When business owners pay back their loans, they have to pay a substantial amount more than they borrowed (interest).

3. Banks are generally unwilling to lend money to people who will not (or cannot) put some of their own money into the venture, too. The banks regard business owners who are too anxious to take money out of their business as inadequately concerned about the future of the business. These people may be more concerned about personal gain than the long-range health and success of the business. To succeed, business owners often must sacrifice profits at the beginning in order to get started off right.

IV. Group Activity

This activity is designed to give students experience with a bank loan interview. Students playing Jill and Dana should give a convincing factual presentation about the soundness of their business plan and their own personal reliability. Ms. Coleman should ask questions to draw out missing information and should

point out weaknesses in Jill and Dana's arguments. She should arrive at a decision based on the strength of their presentation.

Unit 4 - Being in Charge (1 class period)

I. Case Study: Jill and Dana have more business than they can handle. They look for some homemakers who want to go to work. They give their new employees special training and apply good principles of personal relations to "keep them happy."

Text: Dividing the Work
Hiring and Training Workers
Keeping Your Workers Happy

II. Responses to Individual Activities

1. It should be stressed that any healthy person who is willing to work would probably make a good housecleaner. The type of people who are attracted to the job are: 1) those who are going to work for the first time or after many years of being out of the job market; 2) those with limited technical and verbal skills; and 3) those who want flexible or part-time working hours. Potential employee groups include (but are not limited to) housewives, students, handicapped, older workers, and people who don't speak English well.

   Qualifications of housecleaners may include:

   - high school education
   - some general work experience
   - knowledge of housecleaning
   - good physical condition
   - friendly personality
   - "teachability" & willingness to work hard
   - need for a job (e.g. children to support, other financial responsibilities)
   - recommendations from past employers

2. The ad should contain the following information: title of job and tasks to be performed; experience and training needed; wages, hours, and benefits offered; name, address, and phone number of employer; and instructions on how to apply for the job. Students' evaluation of the ad should be based on whether it has enough information, is written in an interesting manner, and has an attractive format. The job tasks, wages, and benefits described will also affect whether many people will apply.

3. c. (a. has poor health, and b. probably wouldn't have enough time or energy to work full-time; d. may not be happy doing housecleaning work since she wants to be manager.

Also she may want a higher salary [to support her lifestyle]; c. has general work experience and is in good health. Her handicap probably will not interfere with her doing a good job.)

III. Responses to Discussion Questions

1. Some people may take housecleaning jobs for a short period of time while they are looking for other jobs. Others, who are not reliable workers, may take housecleaning jobs because few skills are required. To keep turnover low in your housecleaning service, you should try not to hire people who are not willing to work or who don't want to stay on the job long.

   Instead try to hire people who want to learn, who will work hard, and plan to stay in the job for a while. Once you hire workers, train and manage them well so they'll do high quality work and be loyal employees.

2. In hiring workers, Jill and Dana did a fairly good job. They:

   - picked the group they wanted as employees--housewives
   - decided on the qualities they wanted their workers to have--no work experience or special education, but pleasant personality and willingness to work
   - decided on the wages they'd offer--fairly high--to attract good people and keep them
   - looked for applicants--talked to friends and customers and put an ad in the paper
   - had applicants fill out applications
   - interviewed the best applicants
   - gave a short cleaning test
   - chose the three best applicants
   - fired one who didn't work out and hired a replacement

   Jill and Dana spent several days training their workers so that they could do the job fast and well without missing anything. Since all their workers learned the same methods, they could work better as a team.

3. Possible responses include complimenting Emily on the things she does well; letting her know you care; explaining the importance of good attendance; requiring a note from the

doctor to document her illness. You may also meet with her to find out why she can't get along with other workers and then try to solve the problem, if possible. If her problems are serious, you may refer her to a counselor. If things don't improve, find a replacement. A member of the team who won't cooperate makes the whole team ineffective.

IV. Group Activity

This activity is designed to help students decide what makes a good employee, write a want ad, and conduct a job interview. The want ad should contain the information described in Individual Activity #3 and be well laid out and "catchy," if possible. In the role play, the student who is the business owner should communicate job information clearly and treat applicants positively and critically. Applicants, too, should be able to obtain and give information clearly and confidently. The business owner should be able to defend his choice of applicants based on his or her training, experience, and personal qualities.

Unit 5 - Organizing the Work (1 class period)

I. Case Study: Dana gets the job of taking customer orders and organizing workers. She fills out a customer work order for each new job and completes a weekly work schedule for each employee.

Text: Describing the Work
Scheduling the Work

II. Responses to Individual Activities

1. To prepare a work estimate means to find out what the customer wants done and figure out how much time it will take and how much it will cost. To prepare a housecleaning estimate, you should:

- listen to the customer and look at the home
- explain what your service can and cannot do
- think of how many workers will be needed and how long it will take them
- think of any extra supplies or equipment you will need
- figure out the cost of the job
- explain time, costs, and method of payment to customer
- fill out work order form
- have customer read form (including customer's agreement) and sign it
- list your new customer on the master schedule and tell them when workers will be coming

2. Differences between sample forms and those actually used in the business they visited should be pointed out.

3.

WORK SCHEDULE

Week of June 23

	Mon 6/23	Tues 6/24	Wed 6/25	Thurs 6/26	Fri 6/27
Team 1	Harding(2)	West(3)	(2)	Wilson(2)	DuBois(3)
	Ching(2)	McBain(3)	(2)	Atkins(2)	(2)
	Guerrerro(2)		Yurash(2)	Post(2)	
Team 2	Marcus(2)	North(2)	Schell(3)	Dixon(3)	King(3)
	O'Keefe(2)	Morgan(2)	Lake(3)	Finlay(3)	Farmer(2)
	Washington(2)	Atkins(2)			

WORK ORDER

FROM: TENDER LOVING CARE
8090 Azalea Dr.
Memphis, TN

DATE OF ESTIMATE: 6/16
ESTIMATE MADE BY: Dana

WORK FOR: Mark Post

DATE WORK DESIRED: Thurs., June 26
(one time only)

DIRECTIONS TO HOME: Key is under doormat

Description of Work

WORK DONE

Vacuuming/Dusting
- x Carpets/Floors
- x Dusted-Windowsills/Baseboards/Cobwebs
- x Fingerprints as Needed
- x Uncluttered Surfaces
- x Furniture Oiled or Polished
- x Floors Damp Mopped

- __ Sep. Family
- x Sep. Dining
- x Bedrooms 1 (2) 3 4 5

Bathrooms 1 2 3 4 5
- __ Tub/Shower __ Moldy
- __ Sink/Toilet
- __ Floor Washed
- __ Floor Waxed as Needed
- __ Water Spots/Soap Scum

Kitchen
- x Cupboards (outside only)
- x Countertops (uncluttered)
- x Outside of Appliances
- x Floors Washed
- x Floors Waxed as Needed
- x Fingerprints as Needed

SPECIAL NOTES Attention: Kitchen Floor - use special wax
Dog in back yard - leave alone

Customer's Agreement:

- I will pay for cleaning on the day it is done or within 10 days after receiving a bill.
- I will not ask workers to do tasks that are not listed on this sheet without talking to the office first.
- I will call 2 days ahead, or I will pay a $25 penalty.

Customer's Signature Mark W. Post

Time Required 2 hrs.
Total Cost of Work $50.00

5. a. Erase her name and move to the two-hour slot on Friday afternoon (Team 1)

   b. Write his name in the first Wednesday morning slot (Team 1)

   c. Try to get one of your six Monday customers to switch to the second time slot on Wednesday (Team 1). Put Ms. Simon's name in their Monday time slot.

   d. Write Mr. Adam's name in Mrs. Dubois' old Friday morning slot (Team 1) for July 25 only. Do <u>not</u> list him on the master schedule.

   e. Erase her name from the Tuesday morning slot (Team 2) and try to find a new customer.

III. <u>Responses to Discussion Questions</u>

1. Jill and Dana had a good system. Their work order form was complete and could be filled out easily (because of its checklist format). Their scheduling system was good because they had a master schedule for regular customers <u>and</u> a monthly schedule where they could write in any special changes. Dana kept the master schedule for her own use. She posted the monthly workers' schedule to let them know exactly what they'd be doing that month.

2. Possible responses include:

   - two-hour jobs--apartment dwellers or home owners who only want certain rooms cleaned
   - three-hour jobs--most homeowners having average size homes
   - four-hour jobs--people having very large homes or extra cleaning needs (for example, a family with many children where the home gets "extra dirty" each week)
   - one-time only jobs--people who usually do their own cleaning but who have particular cleaning problems (a broken water pipe in the kitchen), have run out of time to clean, or are having special houseguests, etc.

3. Responses will vary depending on students' ideas of how many customers they want in a week, the kind of workers they want, and whether they want workers to be full- or part-time.

IV. Group Activity

This activity is designed to help students plan a master work schedule for a housecleaning business (including work hours, number and type of customers desired). The work schedule developed by students should be similar to the sample in the text. Time slots on the schedule should correspond to the number of customers desired and the length of jobs.

Unit 6 - Setting Prices (1 class period)

I. Case Study: Jill and Dana study the customer demand and their competition before setting their prices. They also figure out how much they'll need to cover expenses and profit. They also keep watch for changes inside and outside their business in order to keep their prices on target.

Text: Operating Expenses
Profit
Competition
Customer Demand
One Price or More Than One?

II. Responses to Individual Activities

		% of Total Price
1. a.	Cost of Goods Sold =	1%
b.	Operating Expenses =	45%
c.	Profit =	54%

2. Response depends on prices in your community. In choosing the lowest price, students should make sure they are comparing prices for the same kind of services.

3. Response depends on the "going rate" for housecleaners in your community.

III. Responses to Discussion Questions

1. A housecleaning service centers around people cleaning houses. Advertising and office supplies aren't very expensive. The office needn't be "high class" either. The business owner will, however, need several good workers to carry out the work of the business. Wages for these workers will make up more than half of all the expenses in the business. Workers should be paid fairly well, too, since they are so important to the success of the business.

2. Jill has to pay the costs and operating expenses of her business first. Any money she has left is profit. If she reduced her price and took in less money per hour, her

profit would be lower. That means she will have less money for herself (salary) and for business expansion.

3. Housecleaning services can compete successfully with self-employed housecleaners even though they charge higher prices because:

   - They can do the work faster (for example, a two-person team may be able to clean in 2 hours what one person could do in 6).
   - Employers with self-employed housecleaners must pay other expenses besides wages such as car-fare and cleaning supplies.
   - Good self-employed housecleaners are hard to find. Some do poor work or don't "show up" every week. Customers may be willing to pay more just to make sure that they get good service every week.

   Housecleaning services may fail to compete successfully if:

   - There are many good self-employed housekeepers in an area.
   - Their employees work slowly or do a poor job.
   - Their prices are a lot higher than self-employed housecleaners.

IV. Group Activity

This activity is designed to give students practice in setting prices for a business. Students should get an idea from the case study and text of how much operating expenses (labor and other) and profit should be. They should then use information they collect about competition and customer demand to make their final decision about price. Students should be able to defend their decisions based on the four factors described above.

Unit 7 - Advertising and Selling (1 class period)

I. Case Study: Jill and Dana choose a logo for Tender Loving Care and decide to advertise through the Yellow Pages and fliers. They also will try certain ways of attracting customers. By keeping their customers happy, they also hope to get a large number of referrals.

Text: Advertising Methods
What to Say in Your Ads
Special Ways to Attract Customers
A Final Word: Be Good to Customers

II. Responses to Individual Activities

1. A good ad:
   - is simple
   - attracts attention
   - is imaginative
   - is informative
   - makes people want to buy

2.
   - The address and phone number of your service
   - The cleaning services you offer
   - Other services you offer (credit, free estimates, emergency service)
   - The kind of customers you serve (homeowners, apartment dwellers, etc.)
   - Hours and days you are open
   - Special offers (discounts on spring cleaning, etc.)

3. The parts of each ad should be labeled. Students' choice of the best ad should be based on factors listed in Individual Activity #1 (above).

4. a. Put an ad in the Yellow Pages
   b. Send out direct-mail fliers
   c. Offer a free cleaning to your customers for every new person they sign up, or offer (reduced-price) house-cleaning gift certificates for sale to your customers
   d. Write an article for your local paper or do something unusual to get free publicity

III. Responses to Discussion Questions

1. Referrals are a form of "free advertising" that your customers give your business. The number of referrals may rise and fall month by month, however. (For example, your customers may have already told all their friends and may not be able to bring in any more business.)

   You should probably do at least some of your own advertising. Possible ideas include Yellow Pages and newspaper ads, fliers (mailed or hand-delivered), giveaways and discounts, gift certificates, free advertising.

2. Possible ideas include:

   - Go door-to-door and talk to potential customers.

   - Post business cards or fliers on local bulletin boards (in stores, laundromats, offices, apartment complexes).

- Put an ad or article in the newsletter of a large apartment complex.

- Offer free cleaning of a public building, model home, etc. in exchange for free advertising.

- Give a free talk on housecleaning "tricks" to a woman's group.

These ideas require little or no expense for such things as advertising fees or supplies. However, they will require <u>time</u>.

3. Jill and Dana wanted a professional, high-class business image. They were particularly interested in appealing to women. Their ads present this image well. Their business name is imaginative and suggests "a woman's touch." The logo is well designed and dignified and stands out from the others.

   Other kinds of business images that could be presented include: "quick and cheap" cleaning services; thorough, heavy-duty cleaning services; services for apartment owners only, etc. The business name and logos chosen by students should be simple and catchy, and should describe the prices, services, and customers offered by the business.

4. Advertising brings in the business; getting along with customers keeps it. Happy customers do their own advertising for your business. These are some principles of good customer relations.

   - Put your customers at ease. Let them know you can be trusted with their house.

   - Communicate well. Find out what customers want and tell them what you can do.

   - Be friendly and personal with customers. Remember their names and the special ways they like things done. At the same time, be professional. Don't invade your customers' privacy.

   - Check up on the work. Find out whether your workers showed up and whether they did a good job.

IV. <u>Group Activity</u>

This activity is designed to help students plan an advertising program (given a budget) and to develop a printed ad.

Students should aim at developing a cost-effective advertising program reaching the largest number of customers at the lowest expense. Various responses are acceptable.

The business name and logo should be imaginative, professional, and descriptive of the business. The ad should contain the five main parts of an ad and have a catchy picture or headline; it should also be simply and neatly laid out. Ad copy should be concise, informative, and persuasive.

Unit 8 - Keeping Financial Records (1 class period)

I. Case Study: Dana does the bookkeeping for the housecleaning service. She uses customer account forms and customer billing forms to keep track of what customers pay and owe. She summarizes all her cash revenues and payments on a daily cash sheet.

Text: How to Keep Customer Accounts
How to Bill Credit Customers
How to Keep Track of Cash

II. Responses to Individual Activities

1. Responses depend on information collected by students. Students should explain clearly the similarities and differences between TLC's financial records and those of the firms surveyed.

2.

TENDER LOVING CARE

CUSTOMER BILLING FORM

Customer: Inge Harris

Date	Description of Sale	Amount Charged	Payment Received	Balance Due
7/25	Regular Cleaning-two hrs.	50.00	----	200.00
8/1	Regular Cleaning-two hrs.	50.00	----	250.00
8/5	Payment (check #)	-----	200.00	50.00
8/8	Regular Cleaning-two hrs.	50.00	-----	100.00
8/15	Regular Cleaning-two hrs.	50.00	-----	150.00
8/22	Regular Cleaning-two hrs.	50.00	-----	200.00

3.

TLC DAILY CASH SHEET For: Sept. 2			
Revenues		Expenses	
Cash Sales			
A. West	$ 75	Salaries	$1,200
A. North	$ 50	Telephone	35
Credit Sales		Supplies	20
B. Dixon	$150		
TOTAL REVENUES	$275	TOTAL EXPENSES	$1,255

III. Responses to Discussion Questions

1. Inge probably had $50 cleaning service four times in July. The $200 is the payment due at the end of the month for all four jobs. Inge looks at the last entry on her bill under balance due to find out what she owes for August.

2. A $25 penalty is probably fair because Jill and Dana had scheduled their workers for that time slot and now they have nothing to do. Jill and Dana will have to decide whether to send their workers home early (and not pay them for those two hours) or to find something else for them to do (and pay them). Chances are that Jill and Dana won't be able to find another customer who wants cleaning on such short notice. (If needed, these workers could perhaps help Dana check in supplies, or mail out bills.) The penalty fee pays Dana for the inconvenience of having to figure out what to do with her workers and helps her pay for their salaries during that time.

3a. Cash revenues and expenses go up and down during the month. Jill and Dana should not be worried about the balance of payments on one daily cash sheet. A cash sheet filled out for a month (or a year) should show more revenues than expenses, however.

b. Only money actually received or paid out (cash) is listed on the daily cash sheet. Money that is owed to the business (e.g., by credit customers) or that is owed by the business (e.g., to suppliers) does not appear on the cash sheet.

4. Giving credit is a way of attracting customers. It is easier for many people to write one check a month. Also, they only have to worry once a month about having money to pay their bill. Allowing customers to charge is an extra service that keeps your customers happy.

   On the other hand, giving credit means more bookkeeping for the business owner. You must take time sending out bills at the end of the month. You also have the worry of handling unpaid customer bills. And if too many customers fail to pay, you may not be able to pay your business expenses.

IV. Group Activity

The purpose of this activity is to allow students to plan policy about terms of customer payment.

The Customer Agreement developed by students should describe whether credit will be given, when customers should pay their bills, and how customers can cancel or change cleaning jobs.

Unit 9 - Keeping Your Business Successful (1 class period)

I. Case Study: Jill and Dana use their profit/loss statement as a means of studying the success of their business. They calculate revenues, expenses, and net profits for different years of business and pay special attention to the profit and expense ratios. They make decisions on how to make profits as high as possible and how to get more customers.

Text: Study Your Profit/Loss Statement
Keep Your Profits High
Change or Improve Your Services

II. Responses to Individual Activities

1. Revenues are the money coming into the business as a result of selling products or services.

   Expenses are the money going out of the business to cover costs of running the business.

   Profit, "the reward for doing business," is the amount left over after all the expenses of the business are paid.

2a. Year 2--Total expenses = $49,000
Net profit = $50,000
Expense ratio = 49%
Profit ratio = 50%

b. Year 2

c. Year 1

d. Year 2

3. Net profit = $67,600
   Expense ratio = 47%
   Profit ratio = 52%

If the revenues and expenses at the end of Year 3 correspond to the figures projected by Jill and Dana, Year 3 would be more successful than Year 2. This answer is based on a comparison of revenues, profits, and profit ratios. In other words, Jill and Dana would make a greater percent profit on a larger amount of revenues in Year 3.

III. Responses to Discussion Questions

1. Jill and Dana could have kept profits high by:

   - increasing their number of customers;
   - raising prices; and
   - keeping expenses low.

   They aimed mainly at the first goal--to increase their number of customers by adding other services. They also raised prices (of their new services only). If their expenses increase as little as predicted on their profit/loss statement for Year 3, they also will have succeeded in keeping expenses low. Expenses will have increased in dollars from Year 2, but the expense ratio will have decreased. In other words, they will have spent a little more to make quite a bit more in revenues.

2. Jill and Dana had a good idea for modifying their business. They'd keep the same business image, employees, and customers, and add two new services--window washing and rug shampooing. They would spend some extra money (on two new part-time workers and equipment and supplies) but would get a lot more customers.

   They could also have offered other services--such as upholstery cleaning, emergency cleaning (after fire and water damage), heavy kitchen cleaning (of fans, walls, inside of ovens, etc.), and floor refinishing (stripping and rewaxing). Or they could have changed the kind of customers they served--for example, from homeowners to apartment dwellers or business owners.

3. George is not doing a good job of judging the success of his business.

   - He has not studied his most recent Two-Year profit/loss statement, but bases his ideas on a report that is two years old.

   - He has an incorrect idea about what a successful business is. (According to business experts, profits should increase as fast as revenues. If George is taking in more money in sales every year, he should also be getting more money in profit. Instead, his revenues are increasing and his profit is staying the same.)

   In other words, George's business is doing less well than last year.

   Unless George learns the importance of studying his profit/loss statements and profit ratios, his business will probably not have a bright future. If he doesn't know how well his business is doing or that there is a downward trend in profits, for example, he won't be able to take steps to improve his situation. Also, George cannot assume that he can succeed simply by doing the same thing he's always done. His competition has increased, and business trends and customer demand may have changed. He should be studying his services constantly and taking steps to change them as needed to keep up with, or even ahead of, changes around him.

IV. Group Activity

The purpose of this activity is to allow students an opportunity to evaluate the financial status of a business and to make plans to improve it. Planning and decision-making done by students in this exercise will be similar to the actions taken by a small business owner in "updating" a real business.

Students should explain whether they plan to raise prices (or lower them), increase the number of customers, and/or reduce expenses. They should describe how their revenues and various expenses will change in Year 3 (e.g. they'll raise salaries to present workers to get them to do a better job and keep customers). They should also describe how they plan to improve or change their services and why. The entries under revenues and expenses on the profit/loss statement should reflect the planned changes described in the narrative. Students should also keep in mind that prices for the same item (e.g., utilities) will probably increase from Year 2 to Year 3 because of inflation.

Students should compute their new net profit, profit ratio, and expense ratio, and show how their business is "healthier" in Year 3 than in Year 2 (via a higher profit ratio).

Summary (15-30 minutes)

If desired, the Quiz may be given prior to summarizing the module and doing wrap-up activities.

Emphasize major points of the module such as:

- Running a housecleaning service is a small business opportunity for a person interested in home economics and business, but it must be planned and located carefully for it to be successful.
- Previous housecleaning and business experience or training, organizational ability, and a genuine liking of people are helpful qualities for a housecleaning service owner to have.
- Hiring and keeping top quality staff is a key part of running the business well.
- Keeping the customers satisfied with your service is also vitally important.
- Knowing how to analyze the business trends, customer demand, and competition is important. The housecleaning service owner should stay alert to changes in these areas and modify his or her business as needed to stay successful.

Remind students that their participation in this module was intended as an awareness activity so they could consider entrepeneurship as a career option. Their introduction to the skills required for successful small business management has been brief. They should not feel that they are now prepared to go out, obtain a loan, and begin their own business. More training and experience are necessary. You can suggest at least these ways of obtaining that experience: one way is to work in the business area in which they would eventually want to have their own venture; another is to go to school (community colleges are starting to offer AA degrees in entrepreneurship).

This would be a good time to get feedback from the students as to how they would rate their experience with the module. Could they identify with the characters portrayed in the case studies? How do they feel about the learning activities?

If possible, use a final wrap-up activity to help students apply what they have learned in the module. Possible ideas include the following.

- Have students discuss or write about how they see themselves owning a housecleaning service now that they know more about it. What further training and experience would they need before starting this kind of business?

- Use one or more of the Group Activities that were not done earlier. Feel free to combine, expand, and adapt the activities so that students can consider a more complete picture of running a housecleaning service.

Quiz (30 minutes)

The Quiz may be used as an assessment instrument or as an optional study tool for students. If you wish to use the quiz for study purposes, duplicate and distribute the answer key to students. In this case, student achievement may be assessed by evaluating the quality of students' participation in module activities.

Quiz Answer Key

1. Possible responses include:

   - vacuuming
   - dusting
   - cleaning kitchens and bathrooms
   - mopping and waxing floors
   - washing windows
   - etc. (see Unit 1 of Student Guide for a complete list)

2. Possible responses include:

   - ability to get along with people
   - knowledge/experience with housecleaning
   - an understanding of business
   - organizational ability
   - etc. (see Unit 1)

3. Possible responses include:

   - Do a better cleaning job.
   - Charge lower prices.
   - Offer extra or different services.
   - Have a special business image.

4. a

5. b

6. b

7. c

8. d

9. c

10. Possible responses include:

- easy to get along with
- willing and able to work hard
- teachable
- willing to stick with the job

11. a

12. Possible responses include:

- customer's name, address, and phone number
- date work is desired
- description of work
- time required and total cost of work
- customer's agreement

13. a

14. You can beat the competition in attracting customers, . . .you can cover your expenses and make a profit.

15. d

16. b

17. c

18. c

19. a. Net profit = $40,000
    b. Profit ratio = 40%
    c. Expense ratio = 60%

20. c

21. a. improve its present services
    b. add new services

SUGGESTED READINGS

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GOALS AND OBJECTIVES

Goal 1: To help you plan your housecleaning service.

Objective 1: Describe the services, customers, and competition of a housecleaning service.

Objective 2: List three helpful personal qualities of a housecleaning service owner.

Objective 3: List three ways to help your business compete successfully.

Objective 4: List one legal requirement for running a housecleaning service.

Goal 2: To help you choose a location for your housecleaning service.

Objective 1: List three things to think about in deciding where to locate your housecleaning service.

Objective 2: Pick the best location for a housecleaning service from three choices.

Goal 3: To help you plan how to borrow money to start your housecleaning service.

Objective 1: Write a business description for your housecleaning service.

Objective 2: Fill out a form showing how much money you need to borrow to start your housecleaning service.

Goal 4: To help you plan how to hire workers and divide the work of your housecleaning service.

Objective 1: Decide how to divide the work of your housecleaning service among several employees.

Objective 2: Pick the best person for a housecleaning job in your service.

Objective 3: List three ways to keep your workers happy.

Goal 5: To help you organize the work of your housecleaning service.

Objective 1: Fill out a customer work order for a particular job.

Objective 2: Fill out a weekly work schedule for your employees.

Goal 6: To help you decide how to set prices for your housecleaning services.

Objective 1: Pick a good price for your housecleaning service.

Goal 7: To help you advertise and sell your housecleaning services.

Objective 1: Pick the best way to advertise your housecleaning service.

Objective 2: Design a printed ad for your housecleaning service.

Goal 8: To help you learn how to keep financial records for your housecleaning service.

Objective 1: Fill out a customer billing form for services you do for a customer.

Objective 2: Fill out a daily cash sheet for money you receive and pay out in one day.

Goal 9: To help you learn how to stay successful.

Objective 1: Figure out the net profit (before taxes), profit ratio, and expense ratio for a housecleaning service.

Objective 2: State one way to increase profits in a housecleaning service.

Objective 3: State one way to change your service to increase sales.

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